

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 02258 011044Z

ACTION EB-08

INFO OCT-01 EUR-12 EA-07 ISO-00 AID-05 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 AGR-05 OPR-02 ABF-01 DODE-00 PM-04

H-01 L-03 PA-01 PRS-01 /105 W

-----020501Z 000854 /13

R 010551Z APR 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 128

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

USMISSION OECD PARIS

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE CANBERRA 2258

E.O. 11652: N/A

TAGS: EALR, ELAB, ECON, AS

SUBJ: CONCILIATION AND ARBITRATION COMMISSION AWARDS ACROSS

THE BOARD A\$5.70 WEEKLY INCREASE IN NATIONAL WAGES CASE

REF: (A) CANBERRA 1194, (B) 76 CANBERRA 8459

1. ON MARCH 31, CONCILIATION AND ARBITRATION COMMISSION
AWARDED ACROSS THE BOARD A\$5.70 PER WEEK IN NATIONAL WAGES
CASE ARISING OUT OF LATE FEBRUARY RELEASE OF DECEMBER QUARTER
1976 6 PERCENT (3.2 PERCENT FOR MEDIBANK AND 2.8 PERCENT FOR
NORMAL LIVING COSTS) CPI INCREASE (REF A). IN MAKING GRANT,
COMMISSION REASONED AS FOLLOWS: A) A\$2.90 PER WEEK TO
REPRESENT THE MAXIMUM WEEKLY CONTRIBUTION TO MEDIBANK
LEVIED ON SINGLE CONTRIBUTORS, WHO MAKE UP 73 PERCENT OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 02258 011044Z

LABOR FORCE; B) A\$2.80 PER WEEK FOR THE 2.8 PERCENT COMPONENT
OF THE CPI INCREASE, THAT BEING THE APPLICATION OF 2.8 PERCENT
TO THE SIX CAPITALS MINIMUM WAGE.

2. COMMISSION ARGUED THAT TO TRY TO COMPENSATE FULLY THOSE
WITH THE LARGEST HEALTH CONTRIBUTIONS WOULD MEAN AWARDING
THE AMOUNT INDISCRIMINANTLY TO ALL AND INCREASING THE WAGE

BILL EXCESSIVELY.COMMISSION STATED THAT IT REALIZED MANY SINGLE INCOME FAMILIES WILL NOT BE FULLY COMPENSATED BUT THAT A WAGE ADJUSTMENT IS NOT AN APPROPRIATE METHOD OF DOING JUSTICE TO SINGLE PERSON AND THE FAMILY; TAXATION AND SOCIAL SERVICE PROVISIONS ALLOWING A MORE SATISFACTORY AVENUE.

3. COMMISSION STATED THAT CIRCUMSTANCES FACING COUNTRY COMPELLED IT ONCE AGAIN DEPART FROM FULL INDEXATION IF IT TO AVOID INTENSIFYING RATE OF INFLATION WITH ALL THE UNDESIRABLE CONSEQUENCES FOR THE ECONOMY, AT PRESENT SHOWING AT BEST SOME SIGNS OF RECOVERY.

4.COMMISSION CITED THREE IMPORTANT, UNSTATED POINTS WHICH HAVE CROPPED UP IN VIRTUALLY ALL INDEXATION HEARINGS: A) WHETHER CPI MOVEMENTS SHOULD BE APPLIED FULLY, OR WHETHER CPI SHOULD BE DISCOUNTED; B) WHETHER MOVEMENT IN INDEX SHOULD BE APPLIED AS A PERCENTAGE TO ALL WAGES AND SALARIES OR IN SOME WAY WHICH GIVEN LESSER AMOUNTS EITHER BY USE OF A LESSER PERCENTAGE, A FLAT AMOUNT OR A PLATEAU; AND C) WHETHER COMMISSION SHOULD CONSIDER INDEXATION QUARTERLY OR AT LONGER PERIODS. COMMISSION THUS ANNOUNCED THAT WHEN ON MAY 3, 1977 IT ASSEMBLES TO HEAR MARCH QUARTER CPI FIGURE IT WOULD ALSO ADDRESS ITSELF TO FOLLOWING SPECIFIC PROBLEMS: A) WHETHER THE TOTAL WAGE SYSTEM SHOULD CONTINUE OR WHETHER A TWO-TIER SYSTEM OF WAGES WOULD BE PREFERABLE; B) THE USE OF AN INDEX AS A SATISFACTORY METHOD OF ADJUSTING WAGES; C) THE ADEQUACY OF THE CPI FOR WAGE FIXATION PURPOSES AND IF IT IS INADEQUATE WHAT OTHER INDEX IS MORE ADEQUATE; D) THE PERIOD BETWEEN GENERAL WAGE REVIEWS BOTH IF THE TOTAL WAGE IS RETAINED AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 02258 011044Z

IF A TWO-TIER SYSTEM IS FOUND TO BE PREFERABLE; E) SHOULD ANY OTHER CURRENT GUIDELINES BE ALTERED; AND F) ANY OTHER RELEVANT ISSUES THAT ANY PARTY OR INTERVENER MAY WISH TO RAISE.

5. COMMISSION DEFERRED UNTIL MARCH QUARTER HEARINGS EMPLOYERS' REQUEST THAT IT RULE ON HOW EFFECT OF DEVALUATION ON PRICES SHOULD BE TREATED.

6. COMMENT: ALTHOUGH COMMISSION 'S RULING CAUSED WIDE-SPREAD GRUMBLING IN LABOR CIRCLES, THERE WAS NO SIGN OF ANY MAJOR CHALLENGE. TREASURER LYNCH DESCRIBED DECISION AS "AN ADVANCE ON PAST DECISIONS," WHILE MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS STREET WELCOMED THE "RECOGNITION OF THE COMPELLING NEED FOR WAGE RESTRAINT." WHILE ACTU PRESIDENT HAWKE SAID INDEXATION WAS FINISHED, HE ALSO SAID " IT COULD HAVE BEEN WORSE." OTHER UNION LEADERS WARNED OF WIDESPREAD DISRUPTION, BUT CURRENT 5.8 PERCENT UNEMPLOYMENT MAY WELL BE EXPECTED TO DAMPEN THESE THREATS FOR

THE TIME BEING.
PERCIVAL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, QUARTERLY REPORTS, WAGE RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER02258
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770114-0080
Format: TEL
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770499/aaaadipo.tel
Line Count: 118
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a28307ac-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 CANBERRA 1194, 76 CANBERRA 8459
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2930670
Secure: OPEN
Status: NATIVE
Subject: CONCILIATION AND ARBITRATION COMMISSION AWARDS ACROSS THE BOARD A\$5.70 WEEKLY INCREASE IN NATIONAL WAGES
CASE
TAGS: EALR, ELAB, ECON, AS
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/a28307ac-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009